Post Tender Negotiation

Post-Tender Negotiation (PTN) is a separate exercise from Tender Clarification. PTN is contact between the buyer and the bidder(s) to refine and improve the bid(s) received in order to ensure that prices, delivery or associated terms of the contract are competitive.

PTN is conducted after the receipt of formal tenders by the buyer, and before the award of any contract. It is not used in all procurements, and when it is used an audit trail will be kept by the buyer so that it can be seen that the PTN was conducted in a fair manner.

It is important to ensire that, when used, PTN does not distort competition or lead to a change that could affect the outcome of the tender.

Quickfire Guide

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Areas for Negotiation:

The potential areas for negotiation will differ for every contract but typical topics might include:

- the terms of payment
- quality of goods or services;
- supply and cost of spare parts
- earlier delivery or completion dates
- warranties and guarantees
- documentation requirements
- expediting and inspection procedures
- maintenance and support, repair or after-sales service
- compensation for failure to meet specified requirements (e.g. of delivery, quality etc.), and
- procedures for remedial action for unsatisfactory service.

At all stages the competing tenderers will be treated in an honest, fair and ethical manner, whilst retaining confidentiality of their bids. Post Tender Negotiations seek to make each individual bid as competitive as possible, without reference to

any other bids. For example, buyers must not unfairly trade off one bid against another by using the lowest bid to seek a reduction in costs from the other bidders.

The key point is that buyers are required not to act in a manner that is likely to distort competition. As a result buyers will ensure that all PTN is meticulously recorded and that proceedings are conducted in a fair manner.

When carried out in an atmosphere of openness and mutual trust negotiations can strengthen relationships between buyers and suppliers because they allow a frank and open exchange of ideas and views on how best the requirement might be delivered.